

## Message Text

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70

ACTION ARA-10

INFO OCT-01 IO-13 ISO-00 AID-05 COME-00 CIAE-00 EB-07

FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03

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JUSE-00 L-03 NSF-01 OES-06 PA-01 PM-04 PRS-01 SAL-01

FEA-01 /142 W

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R 022030Z AUG 76

FM AMEMBASSY QUITO

TO SECSTATE WASHDC 1044

INFO USMISSION USUN NY

AMCONSUL GUAYAQUIL

C O N F I D E N T I A L QUITO 5483

E.O. 11652: GDS

TAGS: PFOR PLOS EFIS IDB EC

SUBJ: MAJOR ISSUES WITH THE U.S.

1. DURING CALL ON FOREIGN MINISTRY SUBSECRETARY JOSE AYALA LASSO BY THE AMBASSADOR AND DESK OFFICER, AYALA RAISED THE FOLLOWING ITEMS IN ORDER OF CURRENT IMPORTANCE TO THE GOE:

A. TRADE ACT OF 1974: AYALA REPEATED THE FAMILIAR ECUADOREAN POSITION THAT THE TRADE ACT WAS DISCRIMINATION AGAINST HIS COUNTRY; EVEN THOUGH ECONOMIC BENEFITS WERE ALSO INVOLVED THE ISSUE WAS ONE OF PRINCIPLE. THE PROBLEM WAS NOT ONLY AN ECUADOREAN OR VENEZUELAN ONE BUT ALSO A LATIN AMERICAN ISSUE BECAUSE ECONOMIC "COERCION" SHOULD NOT BE USED IN AN ATTEMPT TO ALTER  
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A COUNTRY'S POLICIES. DESK OFFICER BRIEFED AYALA ON

THE STATUS OF THE BENTSEN AMENDMENT, STATING FRANKLY THAT BENTSEN'S LEGISLATIVE ASSISTANT SAW LITTLE HOPE FOR PASSAGE THIS YEAR BY THE HOUSE OF REPRESENTATIVES. AYALA REPLIED THAT IF THAT IS THE CURRENT ATTITUDE IN THE CONGRESS THEN THIS OR THE NEXT ADMINISTRATION MUST MAKE A MAJOR EFFORT TO CHANGE OPINIONS. HE QUESTIONED WHETHER THE DEPARTMENT HAD MADE AN ALL-OUT EFFORT. THE AMBASSADOR ASSURED AYALA THAT THE DEPARTMENT HAD GONE AS FAR AS IT COULD. THE DESK OFFICER MENTIONED THAT ECUADOREAN AMBASSADOR CARDENAS HAD BEEN BRIEFED ON ALL THIS, AND THAT CARDENAS HAD SAID HE HIMSELF WOULD LOBBY ON BEHALF OF THE GOE WITH CONGRESS.

B. LAW OF THE SE: AYALA STATED THE GOE WOULD CONTINUE TO DEFEND ITS WELL-KNOWN THESIS OF TERRITORIAL SOVEREIGNTY EXTENDING FOR 200 MILES. HE CRITICIZED THE US POSITION AS INCONSISTENT. THE US 200-MILE LAW TWISTS PRINCIPLES TO SUIT US INTERESTS: A 200-MILE ECONOMIC ZONE EXCEPT FOR TUNA AND JURISDICTION BEYOND 200 MILES FOR SALMON. MOREOVER, IF A FOREIGN GOVERNMENT DOES NOT REACH AGREEMENT WITH THE US ON HIGHLY MIGRATORY SPECIES, THE US WILL NOT RECOGNIZE THAT COUNTRY'S ECONOMIC ZONE AND MAY PROHIBIT THAT COUNTRY'S FISH EXPORTS TO THE US. THIS PROVISION IS CLEARLY COERCION AND IS UNACCEPTABLE TO THE GOE, AYALA STATED. IN RESPONSE TO THE DESK OFFICER'S QUESTION, AYALA STATED THAT GOE DID NOT SEE ANY HOPE FOR FINAL AGREEMENT COMING OUT OF THE LOS CONFERENCE THIS YEAR. THE CURRENT NEW YORK SESSION CAN DO NO MORE THAN REFINES THE NEGOTIABLE "PACKAGE."

ON THE ISSUE OF TUNA, THE GOE DELEGATION HAD SPECIFIC INSTRUCTIONS TO BE COMPLETELY OPEN TO DISCUSSION WITH THE US DELEGATION ON ARTICLE 53 AND A REGIONAL AGREEMENT. THE GOE STILL FAVORED A SPECIFIC, LONGER VERSION OF ARTICLE 53 INSTEAD OF THE US-DESIRED SHORTER, LESS SPECIFIC ARTICLE. AYALA SAID THAT IF AGREEMENT ON ARTICLE 53 WERE REACHED, THE GOE WOULD BE WILLING TO PROCEED WITH NEGOTIATION OF AN EASTERN PACIFIC TUNA AGREEMENT EVEN BEFORE AN LOS TREATY CAME INTO EFFECT.

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C. FISHING-BOAT SEIZURES: AYALA STATED THE GOE WAS WORRIED ABOUT THE POSSIBILITY OF SEIZURES DURING THE UPCOMING FISHING SEASON. HE SAID THERE IS PRESENTLY NO POLITICAL OR JURIDICAL SOLUTION POSSIBLE, ONLY A PRAGMATIC ONE. HE SAID IT WOULD BE EXTREMELY HELPFUL TO THE GOE IN HANDLING THIS PROBLEM TO HAVE THE DEPUTY SECRETARY SEND ANOTHER PUBLIC LETTER TO THE TUNA ASSOC-

IATION SAYING THE USG DOES NOT OPPOSE PURCHASE OF  
ECUADOREAN FISHING LICENSES (SIMILAR TO THE ONE SENT BY  
DEPUTY SECRETARY INGERSOLL LAST YEAR).

D. OAS REFORM: AYALA SAID THE GOE WAS DISMAYED THAT,  
AFTER THREE YEARS OF WORK BY THE OAS SPECIAL COMMITTEE,  
THE US HAD PRESENTED SO MANY AMENDMENTS TO THE CHARTER  
AND WAS NOW PUSHING FOR CONSIDERATION OF CHARTER REFORM  
BY YET ANOTHER SPECIAL BODY. THE AMBASSADOR EXPLAINED  
THAT FOR THREE YEARS THE US HAD QUIETLY RESISTED THE  
EFFORTS OF PERU, ECUADOR, AND SEVERAL OTHER COUNTRIES  
TO REWRITE THE OAS CHARTER TO ACCORD WITH THEIR  
SPECIAL VIEWS AS TO WHAT INTERNATIONAL LAW SHOULD BE.  
WE HAD BEEN CONSISTENTLY OUT-VOTED 23 TO 1. SINCE MERE  
RESISTANCE HAD FAILED, WE HAD DECIDED TO PRESENT OUR  
OWN VIEWS ON CHARTER REFORM.

E. IDB--SOFT TERM LOANS: AYALA RAISED THIS ISSUE AS  
A FINAL ONE OF WHICH THE DESK OFFICER SHOULD BE AWARE.  
THE LATTER REPLIED THAT HE UNDERSTOOD A COMPROMISE  
HAD BEEN REACHED WHEREBY NON-US MONEY WOULD BE FOUND  
FOR SUCH LOANS TO ECUADOR. AYALA REPLIED THAT THIS  
QUESTION WAS A MATTER OF PRINCIPLE LIKE THE TRADE ACT  
AND THE FISHERIES ACT, AND THAT ECUADOR DID NOT CONSIDER  
THAT ITS LEVEL OF INCOME WAS HIGH ENOUGH, EVEN WITH  
PETROLEUM REVENUES, TO JUSTIFY PARTIAL EXCLUSION FROM  
THE FSO.

2. COMMENT: WHILE AYALA'S PRESENTATION WAS DIRECT  
AND BLUNT, HE OFFERED IT IN AN EFFORT TO ASSURE THAT  
THE DESK OFFICER WAS CLEAR AS TO THE GOE'S VIEWS.  
HE ALSO PLACED HIS STATEMENTS WITHIN THE CONTEXT OF  
WANTING TO REMOVE WHATEVER IRRITANTS EXISTED BETWEEN  
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OUR TWO GOVERNMENTS IN ORDER TO IMPROVE US-ECUADOREAN  
RELATIONS, WHICH HE STRESSED IS GOE POLICY.  
BLOOMFIELD

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## Message Attributes

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